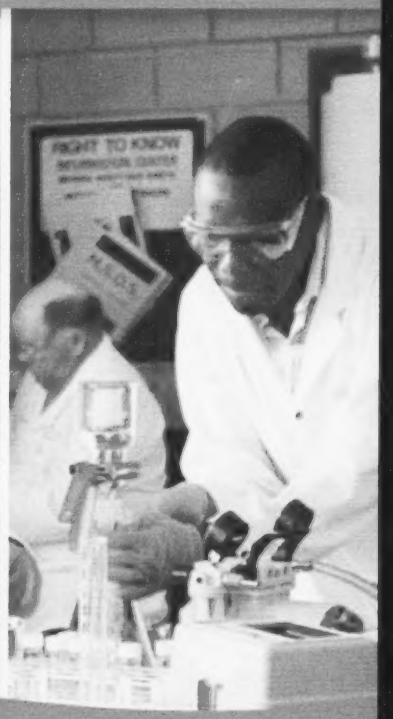
WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario

CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

Safeguarding Ontario's Drinking Water

WALKERTON CLEAN WATER CENTRE

Annual report
2012-2013



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Message from the Vice-Chair and the Acting CEO

2012–13 has been another busy year for the Walkerton Clean Water Centre (the Centre). We've worked to coordinate and deliver the highest quality training to owners, operators and operating authorities of drinking water systems across the province, provide hands-on training through the leading-edge Technology Demonstration Facility and support drinking water research.

The WCWC Training Institute delivered training to more participants; to date, training has been provided to more than 43,000 participants. The course, Standard of Care — Safe Drinking Water Act, was delivered to help municipal officials, councillors and decision-makers understand their obligations under the Safe Drinking Water Act, 2002. Three regional Maintenancefest events provided increased opportunities for hands-on training and the second annual Maintenancefest attracted 110 participants to the Centre. A small systems seminar provided information on appropriate technologies and management and regulatory issues related to small systems. Students from 12 Ontario postsecondary institutions participated in a unique hands-on training program at the Centre. Training was delivered to participants from First Nations drinking water systems and the Mobile Training Unit was used to deliver training to 42 participants in small, remote and First Nations communities in Northern Ontario.

During 2012–13, the WCWC Research & Technology Institute used the Technology Demonstration Facility to inform owners, operators, operating authorities and the public about the treatment, equipment and operational requirements necessary to ensure that drinking water is safe. The facility also served as a platform for hands-on training and research, providing opportunities for the transfer of knowledge on cost-effective solutions for small drinking water systems.

The board of directors governed the Centre and provided guidance over the course of the year. We thank the directors of the board for their efforts and recognize Murray Elston, whose term on the board of directors ended this year. Mr. Elston served as the first Chair of the board of directors and played an instrumental role in the development of the Centre.

We would also like to thank the Government of Ontario for their continued financial support, the Ministry of the Environment for their assistance and collaborative efforts, and the Centre's staff for their dedication to delivering on our mandate and safeguarding drinking water for the people of Ontario.

Nancy Kodousek,
Vice-Chair, Board of Directors

Dr. Souleymane Ndiongue,
Acting Chief Executive Officer

Mission and Mandate

Mission

We safeguard drinking water for the people of Ontario as the leading centre for high-quality training, applied research and technology demonstration.

Mandate

The mandate of the Walkerton Clean Water Centre is:

- To deliver drinking water education and training for owners, operators and operating authorities of drinking water systems.
- In collaboration with other training organizations, to coordinate the accessibility and availability of education and training for owners, operators and operating authorities of drinking water systems.
- To provide support to owners, operators and operating authorities with a primary focus on small, remote and older systems by providing information and advice about those topics outlined in Ontario Regulation 304/04 s. 3 (2).
- To demonstrate leading-edge drinking water treatment technology to owners, operators and operating authorities.
- To assess research gaps and needs to achieve and maintain safe drinking water, advise the Ministry of the Environment on research priorities and to respond to the resulting direction from the Minister of the Environment. The Centre can sponsor high-priority drinking water research that contributes directly to the Centre's mandate.

THE NUMBER OF TRAINING PARTICIPANTS INCREASED BY 11 PER CENT

- To provide, both directly and through alliances with other organizations and in coordination with the Ministry of the Environment, public outreach and education related to the Centre's mandate.
- To make technical, scientific and regulatory information related to drinking water more readily available including information about the statutory standard of care requirement in section 19 of the Safe Drinking Water Act, 2002.
- To provide other services as described in any policy direction issued by, or set out in any agreement with the Ministry of the Environment, that helps to safeguard drinking water.

Within this mandate, the Centre places particular emphasis on addressing three critical gaps in training identified in the Report of the Walkerton Inquiry, namely:

i) accessibility of training for operators in small and remote communities

ii) availability of required training

iii) training for First Nations operators

The Ministry of the Environment's mandatory Entry-Level Drinking Water Operator course was delivered to 307 participants across the province during 2012–13. Trainees are pictured at a course offering at the Centre.

Corporate Profile

The Centre, an operational service agency of the Government of Ontario, was established in October 2004 as part of the province's response to the Walkerton Inquiry Report. The Centre is governed by a board of directors of up to 12 members. The Centre conducts training, research and technology demonstration out of its permanent facility, which is certified Gold under the Leadership in Energy and Environmental Design (LEED) designation.

The Centre provides training for drinking water operators across Ontario, with a focus on smaller and remote systems, including those serving First Nations. The Centre's Technology Demonstration Facility, with its leading-edge drinking water technologies, is an effective platform for hands-on training and research providing cost-effective solutions for small drinking water systems. The Centre is also responsible for delivering education, information and advice on drinking water treatment, equipment, technology and operational requirements, and environmental issues related to drinking water. The Centre works to support the drinking water related goals and priorities of the Government of Ontario.

Located in the Town of Walkerton in the Municipality of Brockton, the Centre has a local, provincial, national and international profile. It offers services throughout the province and serves as a model for the development of similar facilities worldwide.

Speakers at the small systems seminar, co-hosted by the Ontario Water Works Association, left to right: Ross Slaughter, Damian Mortimer, Sylvia Struck, Larry Moore, Brian Jobb, Grant Parkinson, Ryan Snider and Paul Otis. Absent from the photo are Aziz Ahmed and Michael Gundry.

THE SMALL SYSTEMS SEMINAR PROVIDED INFORMATION ON APPROPRIATE TECHNOLOGIES AND MANAGEMENT AND REGULATORY ISSUES RELATED TO SMALL SYSTEMS

Corporate Governance

On the recommendation of the Minister of the Environment, the Lieutenant Governor-in-Council appoints the Chair and members of the Centre's board of directors. Under the leadership of the Chair, the board of directors is responsible for overseeing the management of the Centre's activities.

The Centre is governed by Ontario Regulation 304/04, the Centre's bylaws, and a memorandum of understanding with the Minister of the Environment.

Accountability

The Centre is committed to public transparency and accountability. It is accountable to the Government of Ontario and the citizens of Ontario. The Centre is required to comply with relevant Government of Ontario policies, directives and guidelines, such as the Agency Establishment and Accountability Directive, the Procurement Directive and the Travel, Meal and Hospitality Expenses Directive, to meet expectations regarding its operations.

The board of directors is responsible for ensuring that there is an annual external audit of the Centre's operations and financial transactions as required by both Ontario Regulation 304/04 and the memorandum of understanding. This annual audit is subject to review by the Auditor General of Ontario. In addition, the regulation provides that the Minister of the Environment may request an audit of the Centre at any time and must review the operations of the Centre at least once every three years.

In accordance with the requirements of Ontario Regulation 304/04, the Centre must submit an annual report for each fiscal year. This 2012–13 annual report includes the Centre's audited financial statements and is part of the accountability structure.

91.8 PER CENT OF SURVEY RESPONDENTS RATED THEIR TRAINING AS GOOD OR EXCELLENT

It is submitted to the Minister of the Environment, who tables it in the Ontario legislature. The report, once approved and tabled, is available to the public on the Centre's website: wcwc.ca.

The Agency Establishment and Accountability Directive also requires that the Centre prepare a rolling business plan each year, covering, at minimum, three years of operations. The board of directors oversees and directs the development and implementation of business plans, including the review of risks, performance measures and outcomes in consultation with the Ministry of the Environment.

In addition to the annual reports and business plans, the Centre is responsible for developing and implementing policies and procedures to ensure the transparency and accountability of its operations.

Jeff Avedesian, Technician, maintains the bag filter installed in the Technology Demonstration Facility during 2012–13.

Board of Directors, 2012–13

Members of the Centre's board of directors are appointed by the Lieutenant Governor-in-Council on the advice of the Minister of the Environment. Members hold office for a term of up to two years and are eligible for reappointment for successive terms. The board is accountable to the Ontario legislature through the Minister of the Environment and is responsible for the overall supervision of the operations of the Centre. The board meets regularly at the Centre.

Nancy Kodousek, P.Eng., Vice-Chair

Director of Water Services, Region of Waterloo
Member since: October 12, 2004
Current term: August 29, 2012–August 28, 2014

Ms. Kodousek has more than 28 years of senior management experience with both municipal and private sector water and wastewater systems. Prior to her current position as Director of Water Services at the Region of Waterloo, Ms. Kodousek held similar management-level positions at AWS Engineers & Planners (formerly Azurix) and the Region of Ottawa-Carleton.

Ms. Kodousek is a member of Professional Engineers Ontario, the Ontario Society of Professional Engineers, the American Water Works Association, and the Ontario Water Works Association. Ms. Kodousek participates and volunteers on a number of committees including the Canadian Water and Wastewater Association and the Canadian Water Network Canadian Municipal Water Consortium. Ms. Kodousek also holds certification as a level IV operator in water treatment, water distribution, wastewater collection and wastewater treatment.

Cathie Brown

Senior Advisor, Association of Municipalities of Ontario
Member since: October 12, 2004
Current term: August 20, 2011–August 19, 2013

Ms. Brown is a Senior Advisor at the Association of Municipalities of Ontario. Prior to this, Ms. Brown was the Source Water Protection Project Manager for the Ausable Bayfield and Maitland Valley Source Protection Region.

Ms. Brown also lectures on rural health at the University of Western Ontario in the Faculty of Health Sciences.

Lou Anthony D'Alessandro

Public Health Inspector, North Bay Parry Sound District Health Unit, Environmental Health Division
Member since: October 12, 2004
Current term: August 20, 2011–August 19, 2013

Mr. D'Alessandro is a certified public health inspector and has been involved with public health for more than 25 years. He is currently employed by the North Bay Parry Sound District Health Unit as a Public Health Inspector in the Environmental Health Division. Mr. D'Alessandro holds certification as a water quality analyst (class 1), onsite sewage system inspector (part 8 septic systems under the Ontario Building Code) and small water systems operator. Mr. D'Alessandro has managed several programs under the Health Protection and Promotion Act.

Mr. D'Alessandro is a member of the Saugeen, Grey Sauble, Northern Bruce Peninsula Source Water Protection Committee.

The board of directors, pictured with Acting CEO, Dr. Souleymane Ndiongue. From left to right: Stephen Spitzig, Lou D'Alessandro, Dr. Souleymane Ndiongue, Cathie Brown, Nancy Kodousek, Rui De Carvalho, Wayne Manley and Susan Todd.

Board of Directors, 2012–13 (continued)

Rui De Carvalho, M.Eng., P.Eng.

Senior Vice-President, R.J. Burnside & Associates Limited, and President, R.J. Burnside International Limited
Member since: October 12, 2004
Chair: September 8, 2009–September 7, 2012
Current term: September 12, 2012–September 11, 2014

Mr. De Carvalho has more than 35 years of experience as a consulting engineer in the water supply sector, both in Canada and internationally. In addition to various roles on municipal water supply projects, his experience also includes more than 20 years working on water supply and infrastructure servicing in First Nations communities in Ontario and Labrador. Mr. De Carvalho is currently the Project Director leading a series of major projects related to the reconstruction of the urban water supply infrastructure in Mozambique.

Mr. De Carvalho is a Designated Consultant by Professional Engineers Ontario, an environmental engineer certified by the American Academy of Environmental Engineers and a member of the American Water Works Association, the Ontario Water Works Association, the Water Environment Federation and the Canadian Society for Civil Engineering.

Murray J. Elston

Member since: October 12, 2004
Chair: October 12, 2004–August 20, 2009
Current term: July 28, 2011–July 27, 2012

Mr. Elston served in the Ontario legislature from 1981 to 1995 and held a variety of roles, including Minister of Health, Chair of the Management Board of Cabinet, Minister of Financial Institutions, and Chair of the Public Accounts Committee. Prior to his election to the Ontario legislature, Mr. Elston practiced law in Bruce County.

Currently, Mr. Elston sits on a number of boards, including the Canadian Nurses Foundation. Mr. Elston is a past president of Canada's Research-Based Pharmaceutical Companies and is a former President and CEO of the Canadian Nuclear Association. Most recently he was the Chair of the Electricity Distribution Sector Review Panel for the Province of Ontario.

Wayne Manley

Consultant
Member since: October 12, 2004
Current term: August 20, 2011–August 19, 2013

Mr. Manley has been involved in drinking water operator certification and training since the early 1980s. Over the past 20 years, Mr. Manley has delivered training to drinking water operators, including First Nations systems' operators, across Ontario. Currently, Mr. Manley operates a consulting company that provides training and operations services to organizations and municipalities.

Mr. Manley has more than 30 years of experience in municipal drinking water treatment. He was previously the Superintendent of the City of Peterborough's water treatment plant.

Mr. Manley is a member of the American Water Works Association and the Ontario Water Works Association.

Stephen Spitzig

Certified Management Accountant
Member since: October 12, 2004
Current term: August 29, 2012–August 28, 2014

Mr. Spitzig is the owner of Speedy Tax & Bookkeeping, a local accounting firm that specializes in bookkeeping, payroll, and corporate and personal income tax returns for many small to medium-sized businesses and farms in the Walkerton area. Mr. Spitzig has 28 years of accounting experience and received his Certified Management Accountant designation from the Society of Management Accountants of Ontario in 1999. Mr. Spitzig has an Honours Bachelor of Business Administration degree from Wilfrid Laurier University.

Born and raised in the town of Chepstow, Ontario, Mr. Spitzig has strong ties to the Walkerton area.

THE MOBILE TRAINING UNIT DELIVERED TRAINING TO 42 PARTICIPANTS IN SMALL, REMOTE AND FIRST NATIONS COMMUNITIES IN NORTHERN ONTARIO

Board of Directors, 2012–13 (continued)

Students from Humber College Institute of Technology and Advanced Learning and Mohawk College of Applied Arts and Technology during a hands-on training session in the laboratory.

Susan Todd

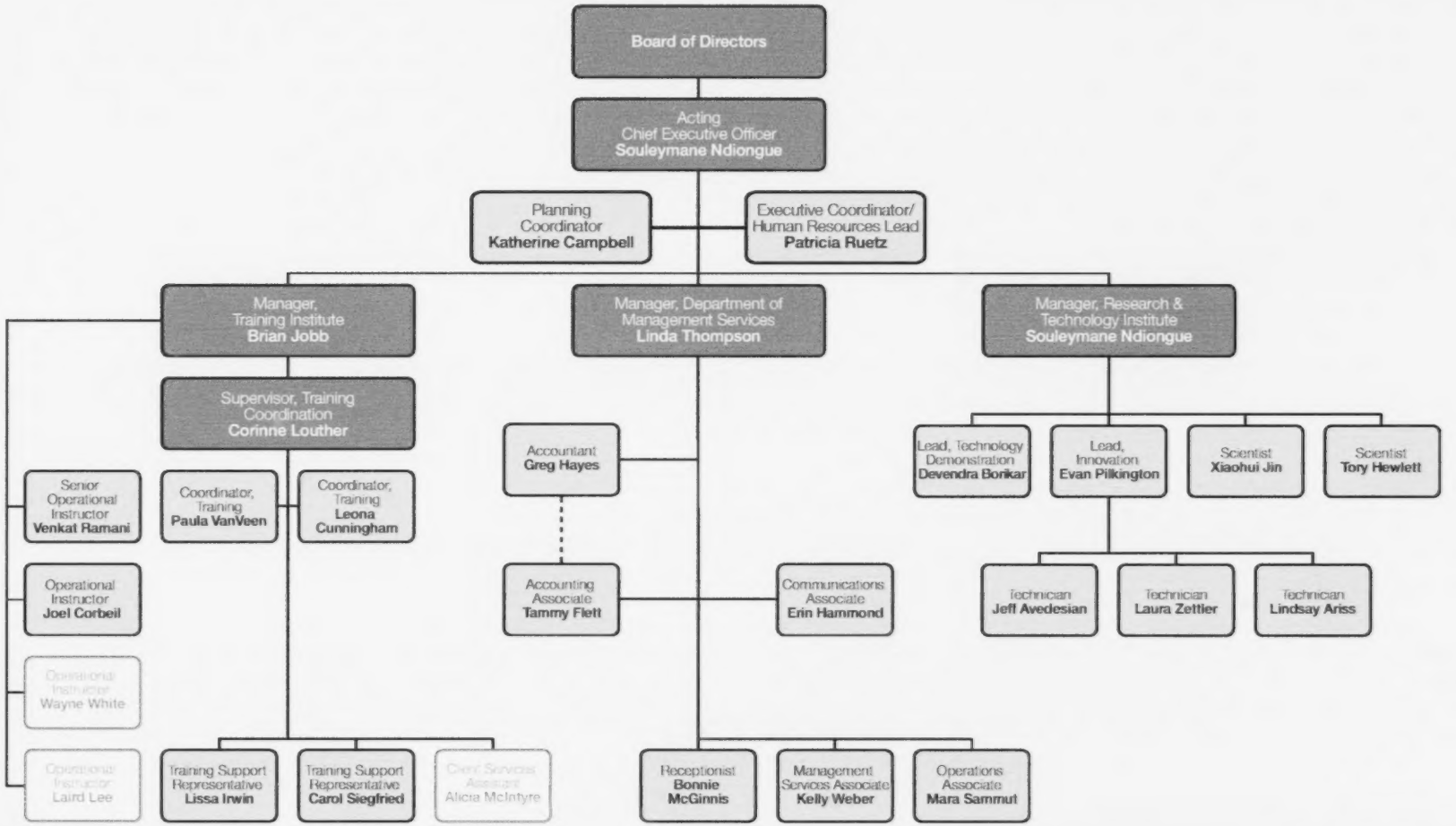
Dean, School of Science and Engineering Technology, Durham College
Member Since: September 15, 2010
Current term: October 31, 2012–October 30, 2014

Ms. Todd has been involved in postsecondary education for nearly 20 years and is currently Dean of the School of Science and Engineering Technology at Durham College in Oshawa, Ontario. Ms. Todd works with program advisory members, industrial partners, faculty, and students to ensure that the college's programs are current and innovative.

Prior to her role as Dean, Ms. Todd taught courses in chemistry, biology and mathematics at the postsecondary level and developed six new programs for Durham College, including the Water Quality Technician program.

Ms. Todd has past experience with both private industry and the federal government.

Walkerton Clean Water Centre Organizational Chart



As of April 26, 2013

Goals and Strategic Directions

The Centre's business plan outlines the Centre's direction for the future, making the best use of resources to deliver on its goals. This annual report describes the Centre's progress, over the 2012–13 year, toward reaching these goals, including:

1. **Providing the highest quality training in the drinking water industry across the province, with increased support for small systems, including municipal, non-municipal, remote and First Nations systems.**
2. **Maintaining the Centre's leadership in drinking water technology demonstration, and using that capability as a platform for hands-on training and research.**
3. **Becoming a global leader in research and transferring knowledge on cost-effective solutions for small drinking water systems.**

The course, Practical Training for Small Drinking Water System Owners and Operators, was introduced during 2012–13. Participants are pictured discussing equipment commonly used in small drinking water systems.

Summary of Performance for 2012–13 Activities

Initiative	Description	Performance Indicator	Status	Comments
Training	Providing the highest quality training in the drinking water industry across the province, with increased support for small systems, including municipal, non-municipal, remote and First Nations systems.	10 per cent increase in the number of people trained.	Achieved	11 per cent increase in the number of people trained during 2012–13.
		Evaluate training quality. Develop a Quality Assurance Index to collect input from a wider range of sources.	Achieved	The Quality Assurance Index for 2012–13 was 0.918. The maximum possible is 1.0.
		Recover $1,830,000 of costs through fees collected.	Achieved	$1,858,812 of costs were recovered through fees collected during 2012–13. This performance indicator is no longer in use as of 2013–14.
Technology demonstration	Maintaining the Centre's leadership in drinking water technology demonstration, and using that capability as a platform for hands-on training and research.	20 per cent increase in the number of hands-on training participant hours at the Centre.	Not achieved	3,749.5 hands-on training participant hours were delivered during 2012–13, a decrease of approximately one per cent from 2011–12. The target for hands-on training participant hours at the Centre was based on the launch of three new courses developed by the Research & Technology Institute. These new courses were offered; however, registrant numbers were low and the courses were not delivered as expected.
		Recover $110,000 of costs through fees collected.	Not achieved	$15,500 of costs incurred for hands-on course deliveries were recovered through sponsors. It has been determined that this performance indicator is not indicative of the Centre's effectiveness in delivering on its mandate. This performance indicator is no longer in use as of 2013–14.
Practical research	Becoming a global leader in research and transferring knowledge on cost-effective solutions for small drinking water systems.	Six publications, including internal research reports, refereed publications and external presentations produced or delivered by Centre staff.	Achieved	13 research publications were produced during 2012–13.
		Recover $60,000 of costs through fees collected.	Not achieved	The Centre's research program did not recover any costs during 2012–13. The Centre is not eligible to receive grant funding for research projects from many funding providers. This performance indicator is no longer in use as of 2013–14.

▶ Goal 1:

Providing the highest quality training in the drinking water industry across the province, with increased support for small systems, including municipal, non-municipal, remote and First Nations systems.

The Objective

Develop and deliver mandatory and WCWC courses, increasing the number of registered participants by 10 per cent.

The Outcome

The Centre continues to meet the training needs of drinking water owners, operators and operating authorities across Ontario. The total number of training participants increased from 6,749 in 2011–12 to 7,519 in 2012–13, an increase of 11 per cent, which surpasses the Centre's target of a 10 per cent increase. Since its inception, the Centre has provided training to 43,097 participants. The table on page 18 illustrates the number of participants in all of the Centre's training initiatives.

The Centre is committed to excellence and continual improvement of its training. During 2012–13, the Centre implemented a quality assurance index, which is calculated through three phases:

1) participant evaluations consisting of ratings for instructor, course content and overall course;
2) post-delivery participant evaluations emailed to training participants one week after training sessions that include survey questions similar to those on the initial participant evaluation forms; and
3) course audits that are conducted by Centre staff or instructors to provide additional information on course content and instructors.

The quality assurance index for 2012–13 was 0.918 out of a possible 1.0. For all courses combined, 91.8 per cent of survey respondents provided an overall course rating of Good or Excellent.

Twenty-one highly qualified instructors contribute to the Centre's overall quality assurance program. Each Centre instructor is required to pass a rigorous two-day train-the-trainer workshop that includes a practical evaluation of the individual's ability to effectively deliver training. The Centre also introduced a new handbook for instructors that acts as a reference to help ensure that only training of the highest quality is delivered.

The Ministry of the Environment's three mandatory courses — Entry-Level Drinking Water Operator, Operation of Small Drinking Water Systems, and Treating and Distributing Safe Drinking Water — are administered by the Centre and delivered by Centre instructors. During 2012–13, Treating and Distributing Safe Drinking Water was revised and the first French offering of Entry-Level Drinking Water Operator was delivered. The Centre is prepared to continue delivering this course in French, as requested.

The Centre follows a comprehensive process to identify training needs, including review of recommendations from the Training Advisory Committee, consultation with target audiences, review of industry standards, and identification of gaps in existing training. Through this process, the Centre identified a number of training gaps and introduced the following training during 2012–13 to meet operators' needs:

- Centrifugal Pumps: Operation, Maintenance and Energy Savings
- Drinking Water Quality Management Standard
- Drinking Water Quality Management Standard workshops
- Internal Auditing for DWQMS
- Practical Training for Small Drinking Water System Owners and Operators
- Safe Drinking Water Act and Related Regulations

Technically advanced training has also been identified as an area of need. The Centre began to address this through the development of several new WCWC courses during 2012–13: Filter Surveillance, Nitrification in Drinking Water Systems, and Emerging Pathogens and Contaminants. It is anticipated that delivery of these new advanced courses will begin in 2013–14.

In cooperation with the Ministry of the Environment, the Centre has also begun working on three new initiatives:

- development of course material emphasizing drinking water safety for firefighters
- redevelopment of the existing course, Standard of Care — Safe Drinking Water Act
- development of the 2015–17 version of the mandatory certificate renewal course

During 2012–13, $1,858,812 of costs were recovered through fees collected by the WCWC Training Institute, surpassing the target of $1,830,000 in cost recovery.

Goal 1 (continued)

Table 1: Training Statistics**

Course	Number trained 2010–11	Number trained 2011–12	Number trained 2012–13	Three-year cumulative total
Entry-Level Drinking Water Operator	350	295	307	952
Safeguarding Drinking Water Quality (classroom)	962	650	–*	1,612
Safeguarding Drinking Water Quality (correspondence)	193	128	–*	321
Treating and Distributing Safe Drinking Water (classroom)	–*	824	1,940	2,764
Treating and Distributing Safe Drinking Water (correspondence)	–*	24	211	235
Operation of Small Drinking Water Systems (correspondence)	1,237	1,094	1,113	3,444
Operation of Small Drinking Water Systems (online)	208	360	462	1,030
Operation of Small Drinking Water Systems (classroom)	59	47	27	133
SUBTOTAL: MANDATORY COURSES	**3,009**	**3,422**	**4,060**	**10,491**
Municipal Drinking Water Licensing Program (classroom)	111	165	185	461
Northern Centre for Advanced Technology (NORCAT) courses (online)	195	151	361	707
SUBTOTAL: AUXILIARY COURSES	**306**	**316**	**546**	**1,168**
WCWC courses	2,529	2,487	2,288	7,304
Standard of Care – Safe Drinking Water Act	60	524	625	1,209
SUBTOTAL: WCWC COURSES	**2,589**	**3,011**	**2,913**	**8,513**
TOTAL	**5,904**	**6,749**	**7,519**	**20,172**

* This table illustrates the transition from the mandatory certificate renewal course, Safeguarding Drinking Water Quality, to Treating and Distributing Safe Drinking Water, which was launched by the Centre on January 1, 2012. The mandatory courses are required by operators to obtain or retain their certification.

** Since its inception, the Centre has provided training to 43,097 participants.

Training Advisory Committee

The Centre established a Training Advisory Committee in 2011–12 to provide advice on the Centre's training programs, identify emerging issues in drinking water treatment, and make recommendations regarding the development of appropriate training. Particular attention is paid to the needs of small systems and First Nations systems. The committee also reviews the Centre's annual training plan, which includes strategic directions, quality control of course materials and instructors, course development based on operators' needs, and access and delivery across the province. This committee is made up of a broad cross-section of water industry specialists, including a Ministry of the Environment representative, who all participate voluntarily.

First Nations Training

During 2012–13, the Centre continued to provide training to First Nations operators in accordance with an agreement with the Bimose Tribal Council. This agreement facilitates the provision of train-the-trainer and training services to the Bimose Tribal Council and its member communities in northwestern Ontario, including Wabigoon Lake First Nation which won the 18th Annual Water Taste Challenge at the 58th Annual Northwestern Ontario Water and Wastewater Conference. As a result of the agreement, the Centre was able to deliver 36 training days to 24 First Nations operators during 2012–13.

The Centre also delivered the three-day course, Operation of Conventional Treatment Processes, to 10 First Nations participants in April 2012. This training was sponsored by the Niagara Peninsula Aboriginal Area Management Board.

During 2012–13, the Centre agreed to provide support during the training and monitoring phases of the Canada-Ontario First Nations pilot initiative to improve drinking water quality. This pilot program will see the federal and provincial governments work with First Nations to explore and assess solutions to improve water quality on reserves.

Standard of Care Training

The Centre continued to deliver the course, Standard of Care — Safe Drinking Water Act, throughout 2012–13. This course helps municipal officials, councillors and decision-makers understand their obligations under the Safe Drinking Water Act, 2002. This course is very popular and has been delivered to more than 1,200 participants to date.

Centre staff also participated in an advisory group that reviewed the Standard of Care Guide, Taking Care of Your Drinking Water — A Guide for Members of Municipal Councils. This guide was awarded the national Gold Award for Best Print Projects from the Canadian Public Relations Society.

Goal 1 (continued)

Small Systems Training

A small systems seminar was held on October 25, 2012 and attracted 67 attendees to the Centre. This event was co-hosted by the Ontario Water Works Association and provided information on appropriate technologies and management and regulatory issues related to small systems. The National Collaborating Centre for Environmental Health provided highlights of their report, Waterborne Disease Outbreaks in Canadian Small Drinking Water Systems. In conjunction with the seminar, the Centre hosted a small systems discussion on October 26, 2012, where invited guests discussed specific issues pertaining to small systems and public health.

The Centre also introduced a new course, Practical Training for Small Drinking Water System Owners and Operators, which is geared toward small systems regulated under O. Reg. 170/03, Safe Drinking Water Act, or O. Reg. 319/08, Health Protection and Promotion Act.

Mobile Training Unit

The Centre's Mobile Training Unit is operated by Confederation College. During 2012–13, the Mobile Training Unit was used to deliver training to 42 participants in small, remote and First Nations communities in Northern Ontario and was displayed at a career fair with more than 150 attendees.

Maintenancefest

During 2012–13, three regional Maintenancefest events were held in Smiths Falls, Chatham (in conjunction with the 108th Western Ontario Water Works Conference) and Sault Ste. Marie (in conjunction with the 18th Aboriginal Water & Waste Water Association of Ontario Annual General Assembly & Training Conference). A total of 120 participants attended these three events. The second annual Maintenancefest was held at the Centre in August 2012. This event attracted 110 participants and 100 per cent of survey respondents indicated that they would

THREE DRINKING WATER QUALITY MANAGEMENT STANDARD WORKSHOPS WERE DELIVERED ACROSS THE PROVINCE, ATTRACTING 287 PARTICIPANTS

recommend the event to others. Maintenancefest is a unique training experience, offering a variety of director-approved hands-on training modules, each led by industry experts. 2012–13 modules included: Backflow Prevention; Chlorinating and Dechlorinating New Watermains; Chlorine Safety; Confined Space Safety; Fire Hydrant Inspection and Maintenance; Jar Testing; Leak Detection; Logbook Documentation; Maintenance and Calibration of Chemical Pumps; Maintenance and Calibration of Lab Equipment; and Watermain Tapping.

Drinking Water Quality Management Standard Workshops

During 2012–13, the Centre, with the Ministry of the Environment and the Municipal Water and Wastewater Regulatory Committee, delivered three Drinking Water Quality Management Standard workshops. These workshops were held in Orillia in April 2012 and in Guelph and Kingston in March 2013. The two-day workshops act as a follow-up to the existing Drinking Water Quality Management Standard course and provide participants with a unique opportunity to gain insight from each other and invited experts who work with the standard. The workshops support quality management standard representatives, utility supervisors, managers, operators/mechanics, regulators and municipal decision-makers by providing information on best practices related to internal auditing, external audits, continual improvement and integrating the drinking water quality management standard into day-to-day operations. In total, 287 participants attended these three events.

A participant working on the Maintenance and Calibration of Lab Equipment training module at the first regional Maintenancefest event held in Smiths Falls.

▶ Goal 2:

Maintaining the Centre's leadership in drinking water technology demonstration, and using that capability as a platform for hands-on training and research.

The Objectives

Provide a practical hands-on training platform for students, operators and water professionals, and serve as a resource regarding the variety of drinking water treatment and distribution technologies available.

The Outcomes

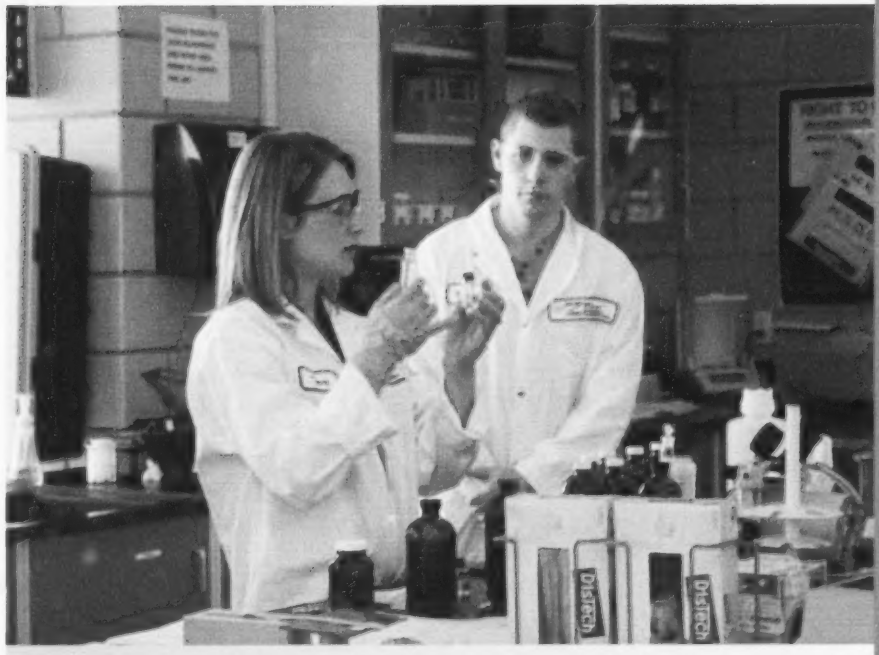
The Centre's training programs include a number of WCWC courses and events that incorporate hands-on instruction. These continue to be very successful; 3,749.5 hands-on training participant hours were delivered at the Centre during 2012–13, a decrease of approximately one per cent from the 2011–12 year. The target for hands-on training participant hours at the Centre was based on the launch of three new courses developed by the Research & Technology Institute. Registrant numbers for these courses were low and the courses were not delivered as expected.

The hands-on training participant hours include the hands-on training that is delivered to postsecondary students. During 2012–13, the Centre provided funding of $3,500 to each of the Ontario colleges that have agreements with the Ministry of the Environment to deliver the Entry-Level Drinking Water Operator course as part of their curriculum. The Centre delivered hands-on training to 173 students from 11 colleges and the University of Western Ontario.

The Centre continues to update the Technology Demonstration Facility with technologies used for drinking water treatment and distribution. During 2012–13, cartridge, bag, and green-sand filtration were installed in the Technology Demonstration Facility to provide increased opportunities for hands-on training and research.

During 2012–13, $15,500 of costs incurred for hands-on course deliveries were recovered by the WCWC Research & Technology Institute. The Centre's target was to recover $110,000 of costs. After careful consideration, it has been determined that this performance indicator is not indicative of the Centre's effectiveness in delivering on its mandate. This performance indicator is no longer in use as of 2013–14.

HANDS-ON TRAINING AT THE TECHNOLOGY DEMONSTRATION FACILITY WAS DELIVERED TO 173 POSTSECONDARY STUDENTS



Tory Hewlett, Scientist, providing hands-on training to students from Georgian College of Applied Arts and Technology.

▶ Goal 3:

Becoming a global leader in research and transferring knowledge on cost-effective solutions for small drinking water systems.

The Objectives

Transfer information to owners, operators and operating authorities of Ontario's drinking water systems. Apply research results to the Centre's training programs, including those geared toward small systems. Make the Technology Demonstration Facility available for research and provide professional technical assistance. Complete research and monitor ongoing projects.

The Outcomes

During 2012–13, the WCWC Research & Technology Institute undertook, completed and published reports on a number of research projects.

The Research Advisory Committee assessed research needs, reviewed the Centre's annual research plan, and helped to establish research priorities for the coming year. This committee is made up of members who participate voluntarily and provide expertise in water research, water technology innovation, and small and large water utility operations. A microbiologist from the Ministry of the Environment and Centre staff also participate on the committee. The Research Advisory Committee met three times during 2012–13.

Published Research Papers

During 2012–13, the Centre produced 13 research publications, including internal research reports, refereed publications and external presentations. This exceeds the Centre's target of six published research projects. Details on these projects can be found on the Centre's website: wcwc.ca/en/research/projects-publications/. An outline of each publication is provided below:

- A review of water treatment of cyanotoxins for large, small and household systems. This was an internal report completed in January 2013.
- Biofiltration as a Pretreatment to Control Ceramic Membrane Fouling during Drinking Water Treatment. This research paper was presented at the American Water Works Association Biological Treatment Symposium in Denver, Colorado in March 2013.
- Comparison of slow sand filtration, conventional treatment, and dissolved air flotation: organics removal, microorganism inactivation, and DBPs formation. This research project was presented at the 5th Canadian Wastewater Management Conference & 48th Central Canadian Symposium on Water Quality Research in Hamilton, Ontario in March 2013.

- Evaluation of slow sand filtration, Ozone/H_2O_2 and UV/H_2O_2 for the removal of pharmaceuticals, personal care products and endocrine disrupting compounds and its effect on disinfection by-products formation. This research paper was presented at the Ontario Water Works Association/Ontario Municipal Water Association Joint Annual Conference and Ontario Water Works Equipment Association Trade Show in Niagara Falls, Ontario in May 2012.
- Evaluations of conventional, slow sand filtration, advanced oxidation processes for the removal of PPCPs and EDCs, and its effect on DBP Formation Potential. This research paper was presented at the RES'EAU WaterNET Annual Meeting in Toronto, Ontario in November 2012.
- Evaluations of conventional, SSF, advanced oxidation processes for the removal of PPCPs and EDCs, and reduction of DBP formation. This research project was presented at the American Water Works Association Water Quality Technology Conference and Exposition in Toronto, Ontario in November 2012.
- Importance of Source Water Quality Monitoring of Inland, Marl Lakes. Analysis of Algae in Water Supplies – Applications of Alternative Methods. This research paper was presented at the American Water Works Association Water Quality Technology Conference and Exposition in Toronto, Ontario in November 2012.
- Lake Rosalind and Marl Lakes Surface Water Report Interim Report. This was an internal report completed in April 2012.

THE CENTRE PRODUCED 13 RESEARCH PUBLICATIONS, INCLUDING REPORTS, REFEREED PUBLICATIONS AND PRESENTATIONS BY CENTRE STAFF

Goal 3 (continued)

- Pilot-scale comparison of slow sand filtration, conventional and dissolved air flotation treatment. This research paper was published in Environmental Science & Engineering Magazine in November/ December 2012.
- Pilot-scale investigation on the performance of slow sand filtration, conventional treatment, and dissolved air flotation as clarifier: a comparative study. This was an internal report completed in January 2013.
- Pilot-scale investigation on the performance of water treatment using slow sand filtration, conventional treatment, and modified conventional treatment using dissolved air flotation as clarifier: A comparative study. This research project was published in the proceedings of the International Water Association's 6th International Conference on Flotation for Water and Wastewater Systems in New York, New York in October–November 2012.
- Support Frameworks for Ontario's Small Water Systems. This research paper was presented at the Canadian Water Network Connecting Water Resources Conference in Ottawa, Ontario in March 2013.
- Water treatment for cyanotoxins: A review focused on small systems and household treatment technologies. This research project was presented at the 15th Canadian National Conference & 6th Policy Forum on Drinking Water in Kelowna, British Columbia in October 2012.

Ongoing Research

Centre staff worked on a number of ongoing research projects and proposals, including:

- **Biofiltration**: Pilot scale testing of biofiltration as a pre-treatment to ceramic membrane. The Centre is collaborating with researchers from the University of Waterloo who are leading this project. This project was successfully funded by the Ontario Research Fund Water Round program in 2011.
- **Iron and Manganese Removal Options**: Treatment Options for Iron and Manganese Removal from Low Turbidity/Organics Water. The objectives of this research project are to evaluate the performance of different technologies to remove iron and manganese and improve the overall treated water quality from a groundwater under direct influence of surface water (GUDI) water source with low levels of turbidity and organics.
- **Lake Rosalind and Marl Lakes**: Monitoring nutrient levels in two lakes that are prone to cyanobacteria blooms. This project aims to identify the effects of nutrient loading on cyanobacteria blooms, evaluate cyanobacterial impact on water quality and identify cyanotoxin levels. The Centre is involved in the Surface Water Quality Committee in the Municipality of Brockton and contributes in-kind support to this project through the measurement and monitoring of water quality parameters of local lakes. Involvement in this project is also a great opportunity to contribute to the local community. This project is being conducted by the Lake Rosalind Property Owners Association, which received funding from the Great Lakes Guardian Community Fund, Ministry of the Environment.

- **Side-by-side Technology Comparison**: Comparative study to investigate the performance of slow sand, conventional treatment and dissolved air flotation. Phase two of this project focuses on the comparison of three treatment options: slow sand, conventional treatment and dissolved air flotation, regarding chemical usage, energy consumption and sludge production.
- **Slow Sand Filtration**: Full-scale Evaluation of the Performance of the Slow Sand Filtration Process. This research project investigates the slow sand ripening period following maintenance cleaning in order to define the criteria and methodology of effective maintenance cleaning and identify water quality parameters that can be used as an indicator of effective ripening. It also explores the effects of nutrient supplement addition on the performance of the slow sand process and the mechanisms of the formation of an active biological layer.

Sponsored Research

The following research projects, which were awarded Centre grants during previous years, were ongoing during 2012–13. The Centre's grant commitments are now fulfilled.

- ATP Bioluminescence Technology as a real-time Monitoring Tool for UV and Chlorine Disinfection, Carleton University
- RES'EAU WaterNET research network

During 2012–13, the Centre's research program did not recover any costs. The Centre had set a target to recover $60,000 of costs incurred by the research program. The Centre is not eligible to receive grant funding for research projects from many funding providers. This performance indicator is no longer in use as of 2013–14.

Technicians Lindsay Ariss and Laura Zettler at work in the Technology Demonstration Facility.

Adherence to Governance, Accountability and Operations Frameworks

The Objective

To safeguard drinking water for the people of Ontario as the leading centre for high-quality training, applied research and technology demonstration, in accordance with the following:

- all applicable acts and regulations
- Ontario Regulation 304/04 under the Development Corporations Act
- the memorandum of understanding between the Minister of the Environment and the Centre
- applicable Management Board of Cabinet directives
- the Centre's by-laws and policies
- other elements of an effective governance and accountability framework

The Outcome

The Centre is keenly aware of the parameters of its governance structure, which is vital to the Centre's operations. Equally important is the Centre's accountability to stakeholder groups. The Centre is accountable to the people of Ontario.

Numerous initiatives in 2012–13 focused on governance and accountability, including a strategic planning workshop held in October 2012 where directors and staff were actively involved in reviewing the Centre's mission, mandate, corporate governance and performance indicators. Following the workshop, a new five-year business plan was developed. As well, the Centre's annual report was prepared in an accurate and timely manner in accordance with the Agency Establishment and Accountability Directive.

THE COURSE, STANDARD OF CARE — SAFE DRINKING WATER ACT, HAS BEEN DELIVERED TO MORE THAN 1,200 PARTICIPANTS

Professional Development and Continuous Learning

The Centre encourages professional development by providing ongoing learning and development opportunities for staff and the board of directors. Staff performance planning and evaluations were completed on time.

Accessibility Standards

The Centre continues to meet the requirements of Ontario Regulation 429/07, Accessibility Standards for Customer Service. The Centre is a member of the Ministry of the Environment's Accessibility Planning Working Group.

Continuity of Operations Plan

The Centre is a member of the Ministry of the Environment's Continuity of Operations Planning Divisional Committee. The Centre prepares and submits a Continuity of Operations Plan based on a scheduled deadline. The Centre's Continuity of Operations Plan Committee actively works to identify and manage risks.

French Language Services Act

The Centre enhanced its delivery of French-language services and reports to the Office of Francophone Affairs when agreements are signed with third parties who provide services to the public on behalf of the Centre.

Adherence to Government Appointees Directive

The total annual remuneration for members of the board of directors was $10,175 during 2012–13.

Participants during the hands-on training module, watermain tapping, at the second annual Maintenancefest.

Communications

Centre staff participate in a variety of activities to raise the profile of the Centre in the local community and across the province. Communications staff create advertisements to promote and market the Centre to target audiences, including clients and stakeholders. The Centre's website content is updated on an ongoing basis to raise awareness about the Centre's programs; during 2012–13, there were 58,584 visits to the Centre's website. On August 28, 2012 the Centre hosted a media tour in conjunction with the second annual Maintenancefest. Media was invited to tour the Centre, including the Technology Demonstration Facility and the Maintenancefest training modules, and conduct interviews with the Chief Executive Officer. The Centre is also a member of both the Walkerton and Hanover chambers of commerce. The Centre's Communications Associate is a member of the Walkerton Chamber of Commerce board of directors.

Media Coverage

During 2012–13 a number of media outlets released articles featuring the Centre, including:

- **Bayshore Broadcasting News Centre**, Owen Sound
- **Chapleau Express**, Chapleau
- **Kenora Daily Miner and News**, Kenora
- **The Chronicle-Journal**, Thunder Bay
- **Walkerton Herald-Times**, Walkerton

Conferences and Events

Centre staff attend conferences, trade shows and events for professional development, to promote the Centre and to network with individuals in the drinking water sector. During 2012–13, Centre staff attended a variety of events, including:

- **59th Annual Ontario Small Urban Municipalities Conference & Trade Show**, May 2–4, 2012
- **Ontario Water Works Association/Ontario Municipal Water Association Joint Annual Conference and Ontario Water Works Equipment Association Trade Show**, May 6–9, 2012
- **Doors Open Ontario**, September 12, 2012
- **Niagara Peninsula Aboriginal Area Management Board Dream Walkers Gathering**, October 16–18, 2012
- **Canadian Water and Wastewater Association 15th Canadian National Conference & 6th Policy Forum on Drinking Water**, October 21–24, 2012
- **American Water Works Association Water Quality Technology Conference & Exposition**, November 4–8, 2012
- **Canadian Water Network Connecting Water Resources**, March 18–21, 2013

Sponsorships

The Centre sponsored key events in the drinking water sector and local community, including:

- **Ontario Water Works Association/Ontario Municipal Water Association Joint Annual Conference and Ontario Water Works Equipment Association Trade Show**, May 6–9, 2012
- **Grey Bruce Children's Water Festival**, September 24–26, 2012
- **Western Ontario Waterworks Conference**, October 2–3, 2012
- **Northwestern Ontario Water & Wastewater Conference**, October 25–26, 2012
- **WaterWORKS 2012/Grey Bruce Sustainability Network**, October 29, 2012
- **Ontario Ground Water Association regional training meetings**, January 16–March 27, 2013

Tours

The Centre provides tours of its LEED Gold building, which includes the Technology Demonstration Facility, to support outreach and community relations. More than 700 individuals visited the Centre during 2012–13, including individuals from the following groups and events:

- **The Association of Municipal Managers, Clerks and Treasurers of Ontario**, May 17, 2012
- **2012 Governor General's Canadian Leadership Conference**, June 8, 2012
- **Conservation Ontario Biennial Conservation Tour,** hosted by Grey Sauble & Saugeen Conservation Authorities, September 17, 2012
- **WaterWORKS 2012/Grey Bruce Sustainability Network**, October 29, 2012
- **Brazilian Association of Sanitary and Environment Engineering, hosted by the Ontario Ministry of Economic Development and Innovation and Foreign Affairs and International Trade Canada**, December 11, 2012

Speaking Engagements

Centre staff spoke about the Centre's work at a number of events, including:

- **Association of Municipalities of Ontario 2012 Annual Conference**, August 19–22, 2012
- **78th Annual Canadian Institute of Public Health Inspectors National Education Conference**, September 16–19, 2012
- **Northern Ontario First Nations Environment Conference**, October 2–4, 2012
- **Canadian Water and Wastewater Association 15th Canadian National Conference & 6th Policy Forum on Drinking Water**, October 21–24, 2012
- **Port Elgin Rotary Club meeting**, March 26, 2013

Looking Forward

The Centre will continue to make the best use of resources to fulfill its mission and deliver on its mandate.

WCWC Training Institute

The WCWC Training Institute is committed to meeting the training needs of the owners, operators and operating authorities of Ontario's drinking water systems, as well as municipal councillors and decision-makers. The Centre will continue to deliver on its training mandate and expand on a number of initiatives. Areas of focus include:

- Providing the highest quality training.
- Delivering training to small systems, including municipal, non-municipal, remote and First Nations systems.
- Working with the WCWC Research & Technology Institute to develop hands-on training components for existing courses.
- Increasing the amount of hands-on training delivered to First Nations drinking water systems operators and through Maintenancefest events.
- Developing new training to meet the needs of drinking water owners, operators and operating authorities across the province.
- Exploring new training delivery methods, including distance learning, e-learning such as webinars and Internet-based training, and existing learning centres, including Ontario colleges. These options may be more economical for trainees due to the elimination of travel costs and existing learning centres may have the equipment and space required for hands-on training delivery.
- Offering train-the-trainer sessions to First Nations and developing working relationships with tribal councils.

Participants from First Nations communities at the course, Operation of Conventional Treatment Processes, sponsored by the Niagara Peninsula Aboriginal Area Management Board.

WCWC Research & Technology Institute

The Centre will use its capability related to technology demonstration as a platform for hands-on training. Ongoing and future programs of the WCWC Research & Technology Institute include:

- Developing hands-on components to be added to WCWC courses.
- Investigating alternative methods to deliver hands-on training outside of the Technology Demonstration Facility.
- Delivering hands-on training to postsecondary students enrolled in Ontario colleges that provide the Ministry of the Environment's mandatory Entry-Level Drinking Water Operator course.
- Distributing information by submitting research papers for presentation at conferences and events.

Joel Corbeil, Operational Instructor, assists participants with an exercise during the Practical Training for Small Drinking Water System Owners and Operators course.

Management's Responsibility for Financial Information

Senior management and the board of directors are responsible for the financial performance of the Centre. The board reviews and approves the Centre's financial statements and all information presented in this annual report. The board is also responsible for ensuring that there is an annual audit of the Centre's accounts and financial transactions. The annual audit is subject to review by the Auditor General of Ontario.

Finance and Audit Committee's Responsibilities

The board's Finance and Audit Committee receives and reviews the Centre's quarterly financial reports. The Total and Departmental Income Statement reports included provide complete revenue and expenditure variances, which are reviewed by the Centre's management team.

The Finance and Audit Committee also plays a number of important roles in the audit process, including: meeting with the Centre's management team and external auditors to review any issues that need to be identified in the upcoming audit; reviewing the external auditor's evaluation of internal controls with management; reviewing the completed reports issued by the external auditors; and monitoring management's response and subsequent follow up to any identified weaknesses.

External Audit

The 2012–13 financial statements were audited by Deloitte LLP. The chartered accountant's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with public sector accounting standards. The auditor's report outlines the scope of the firm's examination and opinion.

Financial Discussion

Revenue

The Centre's main source of revenue continues to be the annual transfer payment from the Government of Ontario which was $3M this year, down from the transfer payment of $4M in 2011–12. The Centre also recovers costs through course registration fees collected for training. The Centre generated revenues of $1.86M in drinking water training course fees in 2012–13, a nine per cent increase from 2011–12 fees of $1.71M.

Investment income of $.19M this year was an improvement from the $.12M earned in 2011–12.

Expenditures

The Centre's internal controls continue to effectively monitor overall expenditures. Expenditures increased by 1.6 per cent from 2011–12 to 2012–13. Salary and benefit cost increases of 22.6 per cent in 2012–13 resulted from increased staffing and enhanced benefit programs. Other operating expenses decreased by 11 per cent in 2012–13, primarily due to lower training delivery, advertising and web development costs. The Centre absorbed a one-time $.12M expense in 2012–13 for previous years' operational building lease adjustments.

Balance Sheet

The Centre continues to be in a strong financial position with $10.6M in cash and GIC investments. The March 31, 2013 net asset balance of $11.9M will fund the Centre's ongoing commitments to excellence in training and research in Ontario.

Independent Auditor's Report

Deloitte LLP
4210 King Street East
Kitchener ON N2P 2G5 Canada

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To the Members of Walkerton Clean Water Centre

We have audited the accompanying financial statements of Walkerton Clean Water Centre, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations and changes in net assets and of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Walkerton Clean Water Centre as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations, change in its net assets, and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
June 7, 2013

Statements of Financial Position

as at March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012 (Note 2)	April 1, 2011 (Note 2)
Assets			
Current assets			
Cash and cash equivalents	$ 3,567,917	$ 13,782,950	$ 11,595,001
Investments (Note 6)	2,006,205	-	-
Accounts receivable	187,039	336,290	206,099
Prepaid expenses	59,976	58,917	74,708
	5,821,137	14,178,157	11,875,808
Investments (Note 6)	5,074,476	-	-
Capital assets (Note 4)	1,388,574	1,615,503	1,712,795
Other assets (Note 5)	578,285	742,793	712,691
	12,862,472	16,536,453	14,301,294
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	730,267	506,390	1,598,350
Deferred revenue	238,496	3,314,637	171,012
	968,763	3,821,027	1,769,362
Commitments (Note 9)			
Net assets	11,893,709	12,715,426	12,531,932
	12,862,472	16,536,453	14,301,294

Approved by the Board

_____ Director _____ Director

The accompanying notes to the financial statements are an integral part of these financial statements.

Statements of Operations and Change in Net Assets

years ended March 31, 2013 and March 31, 2012

	March 31, 2013	March 31, 2012 (Note 2)
Revenue		
Province of Ontario transfer payment (Note 7)	$ 3,000,000	$ 4,000,000
Training registrations	1,858,812	1,708,943
	4,858,812	5,708,943
Expenses		
Advertising and promotion	119,208	164,963
Amortization	339,872	381,646
Audit and legal	14,200	12,550
Bank charges	1,782	2,323
College and university support	38,500	31,500
Conferences	33,925	46,800
Consulting fees	20,479	8,476
Director fees	10,175	16,538
Employee benefits	442,113	346,896
Insurance	32,317	37,844
Office	216,574	216,332
Ontario Realty Corporation construction payments	64,837	-
Professional development	18,999	58,915
Property maintenance	11,506	6,877
Rent	729,895	592,149
Repairs and maintenance	37,970	34,386
Research projects	65,068	103,546

Statements of Operations and Change in Net Assets

years ended March 31, 2013 and March 31, 2012

	March 31, 2013	March 31, 2012 (Note 2)
Expenses (continued)		
Salaries	$ 2,183,525	$ 1,794,400
Sponsorships	37,860	41,732
Subscriptions and memberships	18,510	17,105
Telephone	34,263	34,253
Training	1,018,487	1,267,232
Travel	103,321	77,517
Vehicle	44,924	67,775
Website and communications	90,919	279,330
	5,729,229	5,641,085
Excess of (expenses over revenue) revenue over expenses from operations before interest and other income and loss on disposal of capital assets	(870,417)	67,858
Interest and other income	218,163	159,461
Loss on disposal of capital assets and impairment of curriculum rights	(169,463)	(43,825)
Excess of (expenses over revenue) revenue over expenses for the year	(821,717)	183,494
Net assets balance, beginning of year	12,715,426	12,531,932
Net assets balance, end of year	11,893,709	12,715,426

The accompanying notes to the financial statements are an integral part of these financial statements.

Statements of Cash Flows

years ended March 31, 2013 and March 31, 2012

	March 31, 2013	March 31, 2012 (Note 2)
Operating activities		
Excess of (expenses over revenue) revenue over expenses for the year	$ (821,717)	$ 183,494
Items not affecting cash		
Amortization	339,872	381,646
Loss on disposal of capital assets	4,955	43,825
Impairment of curriculum rights	164,508	-
Changes in non-cash operating working capital items		
Accounts receivable	149,251	(130,191)
Prepaid expenses	(1,059)	15,791
Accounts payable and accrued liabilities	223,877	(1,091,960)
Deferred revenue	(3,076,141)	3,143,625
	(3,016,454)	2,546,230
Capital activities		
Acquisition of capital assets	(117,898)	(318,930)
Acquisition of curriculum rights	-	(54,796)
Proceeds on disposal of capital assets	-	15,445
	(117,898)	(358,281)
Investing activities		
Increase in investments	(7,080,681)	-
Net change in cash during the year	(10,215,033)	2,187,949
Cash and cash equivalents, beginning of year	13,782,950	11,595,001
Cash and cash equivalents, end of year	3,567,917	13,782,950
Supplementary disclosure of cash flows		
Interest received	193,077	123,193

The accompanying notes to the financial statements are an integral part of these financial statements.

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

1. Nature of operations

The Walkerton Clean Water Centre (the "Centre") is an operational service agency of the Province of Ontario and was established on October 1, 2004 under the authority of *The Development Corporation Act*.

In accordance with the Act, the Centre's objectives are to:

a) Coordinate and deliver training for drinking water system owners and operators.

b) Provide information, education and advice about drinking water science, treatment and technology, operational requirements, and environmental issues related to drinking water to owners, operators and the public.

c) Provide advice to the Minister of the Environment on research and development priorities to achieve safe drinking water and sponsor drinking water research within the Centre's mandate.

The Centre is exempt from Federal and Provincial income taxes.

2. Adoption of a new accounting framework

The Public Sector Accounting Board (PSAB) issued new standards for government (public sector) not-for-profit organizations ("Government NPO's). For years beginning on or after January 1, 2012, government NPO's have a choice of:

(a) Public sector accounting standards including PS 4200 to PS 4270 for government not-for-profit organizations; or

(b) Public sector accounting standards.

The Centre has chosen to follow Public sector accounting standards including PS 4200 to PS 4270 for government not-for-profit organizations (the "new standards").

Effective April 1, 2012, the Centre adopted the requirements of this new accounting framework. These are the Centre's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125 - First-time adoption by government organizations ("PS 2125") have been applied. The date of transition to the new standards is April 1, 2011 and the Centre has prepared and presented an opening statement of financial position at the date of transition to the new standards. This opening statement of financial position is the starting point for the Centre's accounting under the new standards. In its opening statement of financial position, under the recommendations of Section PS 2125, the Centre:

(c) recognized all assets and liabilities whose recognition is required by the new standards;

(d) did not recognize items as assets or liabilities if the new standards do not permit such recognition;

(e) reclassified items that it recognized previously as one type of asset or liability, but are recognized as a different type of asset or liability under the standards; and

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

2. Adoption of a new accounting framework (continued)

(f) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section PS 2125, the accounting policies set out in Note 3 have been consistently applied (except for the new standards on financial instruments as disclosed in Note 3) to all years presented and adjustments resulting from the adoption of the new standards have been applied retrospectively, excluding where optional exemptions and mandatory exceptions available under PS 2125 have been applied.

The following exception was used at the date of transition to the new framework:

Mandatory exception

The estimates made by the Centre under the CICA Handbook – Accounting Part V – Pre-Changeover Accounting Standards were not revised for the application of the new standards except where necessary to reflect any differences in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Centre has not used hindsight to revise estimates.

The adoption of the new standards had no impact on the statement of financial position as at April 1, 2011 or on the statement of operations and changes in net assets for the year ended March 31, 2012.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The significant accounting policies of the Centre are as follows:

Capital assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at the estimated fair market value upon donation. Amortization is based on the estimated useful life of the asset and is calculated with a half year provision as follows:

Computer equipment	33% declining balance
Computer software	50% declining balance
Office furniture and equipment	20% declining balance
Leasehold improvements	3, 4 and 5 years straight-line
Signs	20% declining balance
Technical equipment	20% declining balance
Vehicle	20% declining balance

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

3. Summary of significant accounting policies (continued)

Other assets

Curriculum rights are recorded at cost. Since they have an unlimited useful life, the rights have not been amortized. Annually the cost of the curriculum rights will be tested for impairment.

Revenue recognition

Transfer payments are recognized when the amount is known and collectability is reasonably assured. Revenue from training registration is recognized when payment is receivable and the course has been completed. Interest revenue is recognized as it is earned over the period of investment. Donation revenue is recognized once the Centre has possession of the goods donated.

Cash and cash equivalents

Cash consists of amounts on hand, balances in the bank, and temporary investments with maturities of 90 days or less.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Financial instruments

Under the previous standards (Section 3855 "Financial Instruments - Recognition and Measurement"), financial assets and financial liabilities were initially recognized at fair value, and subsequently measured depending on their classification. Cash was classified as Held-for-Trading, accounts receivable as Loans and receivables and, accounts payable and accrued liabilities as Other liabilities. Held-for-trading items are measured at fair value, with changes in their fair value recognized in the Statement of operations in the current period.

"Loans and receivables" are measured at amortized cost, using the effective interest method, net of any impairment. "Other liabilities" are measured at amortized cost, using the effective interest method.

Under PS 3450, all financial instruments, including derivatives, are included on the Statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Centre's accounting policy choices. All financial instruments reported on the Statement of financial position of the Centre are classified as follows:

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

3. Summary of significant accounting policies (continued)

Financial instrument	*Classification*
Cash	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial instruments measured at fair value are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Statement of remeasurement gains and losses until they are realized, when they are transferred to the Statement of operations. Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses, and recognized into the Statement of operations. On sale or disposal, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the Statement of operations.

Financial instruments measured at amortized cost are initially recognized at cost, and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect or recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the Statement of operations.

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

4. Capital assets

March 31, 2013	*Cost*	*Accumulated amortization*	*Net book value*
Computer equipment	**$ 119,682**	**$ 107,687**	**$ 11,995**
Computer software	**43,086**	**37,013**	**6,073**
Office furniture and equipment	**336,773**	**209,925**	**126,848**
Leasehold improvements	**47,715**	**25,133**	**22,582**
Signs	**51,041**	**30,110**	**20,931**
Technical equipment	**2,853,014**	**1,702,007**	**1,151,007**
Vehicle	**54,598**	**5,460**	**49,138**
	3,505,909	**2,117,335**	**1,388,574**

March 31, 2012	Cost	Accumulated amortization	Net book value
Computer equipment	$ 161,251	$ 138,795	$ 22,456
Computer software	53,129	40,583	12,546
Office furniture and equipment	326,339	179,517	146,822
Leasehold improvements	42,854	20,095	22,759
Signs	45,319	25,592	19,727
Technical equipment	2,810,733	1,419,540	1,391,193
	3,439,625	1,824,122	1,615,503

April 1, 2011	Cost	Accumulated amortization	Net book value
Computer equipment	$ 196,221	$ 151,227	$ 44,994
Computer software	40,702	34,251	6,451
Office furniture and equipment	311,572	144,657	166,915
Leasehold improvements	41,512	20,095	21,417
Signs	37,301	21,663	15,638
Technical equipment	2,591,155	1,133,775	1,457,380
	3,218,463	**1,505,668**	**1,712,795**

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

5. Other assets

	March 31, 2013	March 31, 2012	April 1, 2011
Curriculum rights, at cost	**$ 578,285**	$ 742,793	$ 712,691

During the year, curriculum rights in the amount of $nil were purchased (2012 - $54,796; 2011 - $66,951). Curriculum rights totaling $164,508 (2012 - $24,694; 2011 - $nil) for assets no longer in use have been removed from the cost base of the asset.

6. Investments

Short-term investments consist of guaranteed investment certificates with a Canadian chartered bank in a principal amount of $2,000,000 ($nil as at March 31, 2012 and April 1, 2011), $4,000,000 ($nil as at March 31, 2012 and April 1, 2011) and $1,000,000 ($nil as at March 31, 2012 and April 1, 2011) which earn interest between 1.55% and 2.15% and mature in January 2014, June 2014 and January 2015.

7. Transfer payments

During the year, the Centre received $3,000,000 (2012 - $4,000,000) in transfer payments from the Province of Ontario.

8. Pension plan

The Centre provides pension benefits for all its full-time employees through participation in the Public Service Pension Plan which is a multi-employer defined benefit pension plan administered by the Ontario Pension Board. This plan is accounted for as defined contribution plan, as the Centre has insufficient information to apply defined benefit accounting to the plan. The Centre's contribution related to the pension plan for the period was $155,117 (2012 - $126,624) and is included in employee benefits in the statement of operations.

9. Commitments

The Centre leases its office under an operating lease which expired August 31, 2012 and has entered into various vehicle operating leases that expire on April 2016 and June 2016. Future lease payments aggregate $3,083,247 and include the following repayments over the next five years:

2014	$ 648,653
2015	647,278
2016	605,762
2017	591,890
2018	589,664
	3,083,247

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

9. Commitments (continued)

The Centre has previously been committed to payments estimated at $8,300,000 to the Ontario Realty Corporation for building a new administration, conference and technology demonstration facility. During the year, the Centre has accrued for payments of $nil (2012 - $Nil) on design and construction costs. The construction payments have been recognized as an expense in these financial statements as the Ontario Realty Corporation holds title to the property. The construction costs have been fully recognized.

10. Financial instruments and risk management policy

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the Centre.

Credit risk

Credit risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and incur a financial loss. The Centre's exposure to credit risk on its accounts receivable is not significant.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the Centre cannot meet a demand for cash or fund obligations as they come due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. Management manages liquidity risk and monitors the cash and funding needs on a daily basis.

Currency risk

Currency risk relates to the Centre operating in different currencies and converting non-Canadian monies at different points in time when adverse changes in foreign currency rates occur. The Centre does not have any material transactions of financial instruments denominated in foreign currencies.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Fair values

The fair value of cash, accounts receivable, accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

Notes to the Financial Statements

March 31, 2013 and March 31, 2012

10. Financial instruments and risk management policy (continued)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

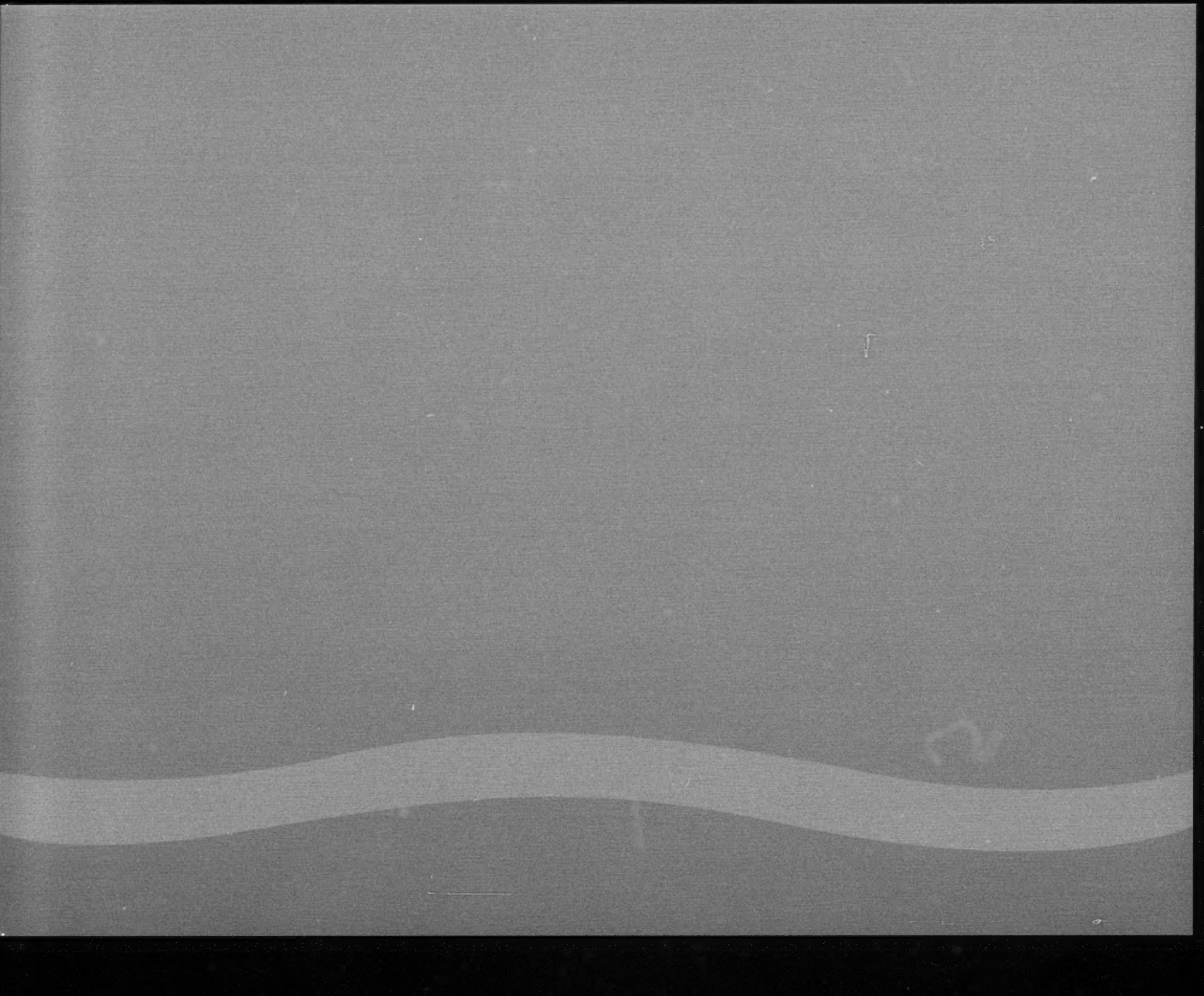
The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the Statement of financial position, classified using the fair value hierarchy described above:

Financial assets at fair value as at:

March 31, 2013	Level 1	Level 2	Level 3	Total
Cash	$ 3,567,917	$ -	$ -	$ 3,567,917
Investments	7,080,681	-	-	7,080,681
	10,648,598	**-**	**-**	**10,648,598**

There have been no movements between levels for the years ended March 31, 2013, and March 31, 2012, and as April 1, 2011.



WCWC Walkerton Clean Water Centre
An agency of the Government of Ontario

CWAE Centre de Walkerton pour l'assainissement de l'eau
Un organisme du gouvernement de l'Ontario

Safeguarding Ontario's Drinking Water

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